

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY KUALA LUMPUR IMMEDIATE

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FOLLOWING REPEAT USUN 5749 ACTION SECSTATE INFO BRUSSELS GENEVA
PARIS DEC 20

QUOTE: LIMITED OFFICIAL USE USUN 5749

USEEC

USOECD

E.O. 11652: N/A

TAGS: EGEN, UNGA, ECOSOC, UNCTAD, ETRD

SUBJECT: 32ND UNGA, SECOND COMMITTEE - COMMON FUND RESOLUTION

REF: (A) USUN 5623; (B) USUN 5655; (C) STATE 299966

(D) STATE 300433

1. RESOLUTION A/C.2/32/L.95 ON A COMMON FUND UNDER
THE INTEGRATED PROGRAM FOR COMMODITIES WAS ADOPTED BY
VOTE DURING DECEMBER 16, 1977, SESSION. VOTE COUNT WAS YES -
102; NO - 0; ABSTAIN - 13 (U.S.).

2. AT LAST INFORMAL WORKING GROUP SESSION NIGHT OF DECEM-
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BER 15, JAMAICA DELEGATE, WHO WAS G-77 COORDINATOR AND SPON-
SOR OF THIS RESOLUTION, ANNOUNCED THAT VENEZUELAN AMENDMENTS,
WHICH WERE THOUGHT OF BY MANY AS BASIS FOR COMPROMISE, WERE
NOT ACCEPTABLE TO G-77. HE ALSO ANNOUNCED THAT G-77 WERE
NOT IN POSITION TO ACCEPT ANY AMENDMENTS AT ALL TO PREAMBULAR
PARAGRAPH 9 AND OPERATIVE PARAGRAPH 1. TEXT WOULD GO
FORWARD AS IS FOR CONSIDERATION BY SECOND COMMITTEE.
JAMAICA DELEGATE DISCOURAGED ANY FURTHER COMMENTS OR
SUGGESTIONS ON DRAFT.

3. BEFORE DECEMBER 16 SECOND COMMITTEESSESSION BEGAN, U.S. DELEGATE MADE ANOTHER EFFORT TO CONVINCE G-77 THROUGH JAMICIA DELEGATE AS WELL AS INDIA, SRI LANKA, PAKISTAN, AND OTHERS, THAT VOTING THIS RESOLUTION THROUGH THE GENERAL ASSEMBLY WOULD HAVE SERIOUS ADVERSE EFFECTS ON EFFORTS TO REACH AGREEMENT ON A COMMON FUND. U.S. DELEGATE APPEALED TO 77 LEADERS THAT THEY WITHDRAW RESOLUTION OR AT MINIMUM RECONSIDER POSSIBILITY OR WORKING OUT COMPROMISE TEXT. RESPONSE WAS FIRM THAT NO POSSIBILITY EXISTED EITHER FOR WITHDRAWAL OF RESOLUTION OR FOR ITS AMENDMENT, U.S. DELEGATE THEN DISCUSSED CONTENT AND FIRM TONE OF U.S. STATEMENT WHICH WOULD BE DELIVERED UPON VOTING OF RESOLUTION. JAMAICA DELEGATE SAID HE WOULD RELAY THESE COMMENTS TO OTHERS IN G-77 BUT DID NOT EXPECT ANY CHANGE IN ATTITUDE.

4. WESTERN DEVELOPED COUNTRY DELEGATES THEN MET BRIEFLY IN CAUCUS AND DECIDED TO ASK SWEDISH REPRESENTATIVE LAGERFELT TO MAKE APPROACH TO G-77 ON BEHALF OF WEO'S WITH ANOTHER APPEAL FOR WITHDRAWAL OF RESOLUTION HE DID SO, BUT TO NO AVAIL. G-77 HELD FIRM.

5. AT SESSION, JAMAICA INTRODUCED RESOLUTION NOTING THAT GREAT EFFORTS WERE MADE ON ALL SIDES TO REACH COMPROMISE LIMITED OFFICIAL USE
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HOWEVER, SINCE NO AGREEMENT RESULTED, HE SAID, THE G-77 INTENDED TO RETURN TO ORIGINAL TEXT. RESOLUTION WAS PUT TO VOTE IMMEDIATELY. FOLLOWING THIRTEEN COUNTRIES ABSTAINED: AUSTRALIA, BELGIUM, CANADA, FRANCE, FRG, GREECE, IRELAND, ITALY, JAPAN, LUXEMBOURG, NEW ZEALAND, UK, AND U.S. ALL OTHERS VOTED YES.

6. HIGHLIGHTS OF STATEMENTS AFTER VOTE FOLLOW. MOST SPEAKERS WERE DEVELOPED COUNTRY DELEGATES.

JAPAN - SAID ALL COUNTRIES SHOULD RE-EXAMINE THEIR POSITIONS WITH A VIEW TO RESUMING NEGOTIATIONS QUICKLY. FAILURE TO REACH AGREEMENT ON FUND DID NOT CONTRADICT COMMITMENT TO RESUME NEGOTIATIONS.

CANADA - REGRETTED THE SUSPENSION OF NEGOTIATIONS AND HOPED SYG OF UNCTAD COULD FIND BASIS FOR CONTINUING NEGOTIATIONS.

GDR - ON BEHALF OF SOCIALIST COUNTRIES MADE STATEMENT HEAPING BLAME FOR PRESENT NEGATIVE SITUATION IN INTERNATIONAL TRADE AND COMMODITIES UPON WESTERN DEVELOPED COUNTRIES. FOR THIS REASON HE SAID, RESOLUTION WAS DRAWN UP AND DIRECTED TOWARDS PARTLY DEVELOPED COUNTRIES.

CHINA - PAID TRIBUTE TO G-77 FOR THEIR EFFORTS AND

BLAMED SUPERPOWERS FOR FAILURE OF COMMON FUND NEGOTIATIONS.

FRANCE - SAID THAT WAS NOT A QUESTION OF ASSIGNING RESPONSIBILITY, BUT IMPORTANT ISSUE WAS TO RESUMED NEGOTIATIONS ON A POSTIVE BASIS. HE HOPED FOR "SPIRIT OF RECONCILITATION" LEADING TO SUCCESSFUL NEGOTIATIONS.

DENMARK - SUPPORTED RESOLUTION AND SAID RESUMED NEGOTIATIONS SHOULD BE BASED ON (1) FINANCING OF COMMON FUND BY DEPOSITS FROM INDIVIDUAL COMMODITY AGREEMENTS AS WELL LIMITED OFFICIAL USE
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AS DIRECT GOVERNMENT CONTRIBUTIONS, AND (2) A CAPACITY FOR THE FUND TO FINANCES "OTHER MEASURES."

NETHERLANDS -- SUPPORTED RESOLUTION AND EMPHASIZED IMPORTANCE OF A COMMON FUND WITH ITS OWN FINANCIAL RESOURCES.

UK - SAID RESOLUTION HAD SERIOUS INACCURACIES AND OMISSIONS. OPERATIVE PARAGRAPH ONE, HE SAID, APPLIES TO ALL COUNTRIES, NO SINGLE COUNTRY OR GROUP OF COUNTRIES CAN BE MADE RESPONSIBLE FOR UNSUCCESSFUL NEGOTIATING SESSION.

FRG - REFERRED TO RECENT REPORT OF CHAIRMAN OF AD HOC COMMITTEE ON INTEGRATED PROGRAM, SAYING THE ACTION PROPOSED IN REPORT IS IN LINE WITH OPERATIVE PARAGRAPH TWO OF RESOLUTION HE SHARED VIEW THAT ACTION CALLED FOR IN OPERATIVE PARAGRAPH ONE REFERS TO ALL COUNTRIES WHICH NOW MUST REVIEW THEIR POSITIONS.

7. ACCORDING TO GUIDANCE REFTELS C AND D, U.S. DELEGATE ABSTAINED AND DELIVERED FOLLOWING STATEMENT.

"WE WOULD FIRST EXPRESSES OUR APPRECIATION THROUGH YOU, MR. CHAIRMAN, TO OUR VICE CHAIRMAN WHO LED OUR NEGOTIATIONS, AND TO ALL THE OTHERS WITH WHOM WE HAVE WORKED IN AN EFFORT TO REACH CONSENSUS WITH REGARD TO RESOLUTION L.95.

"UNFORTUNATELY, WE HAVE BEEN UNABLE TO REACH AGREEMENT ON A RESOLUTION THAT WOULD HAVE MOVED FORWARD THE WORK THAT REMAINS TO BE DONE ON THE COMMON FUND, MY GOVERNMENT WAS WILLING TO GO ALONG WITH A COMPROMISE THAT WOULD HAVE MADE THIS RESOLUTION A POSITIVE, NON-PREJUDICIAL STATEMENT, AND WOULD HAVE SET THE NEGOTIATIONS ON THE COMMON LIMITED OFFICIAL USE
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FUND BACK ON COURSE. A COMPROMISE WAS REJECTED. THIS WILL NOT

HELP THE NEGOTIATIONS ON THE FUND.

"AT THE RECENT NEGOTIATING CONFERENCE ON THE FUND, THE UNITED STATES AND OTHER INDUSTRIALIZED COUNTRIES DID NOT CALL FOR A SUSPENSION. WE WISHED TO CONTINUE TO NEGOTIATE. IN THE VIEW OF MY GOVERNMENT, MR. CHAIRMAN, THE ONLY HOPE FOR SUCCESSFUL NEGOTIATIONS ON THE COMMON FUND IS A WILLINGNESS OF ALL SIDES TO EXAMINE CAREFULLY ALL SERIOUS PROPOSALS PUT FORWARD. NEGOTIATIONS CANNOT PROCEED IF EITHER SIDE INSISTS ON IMPOSING PRE-DETERMINED FORMULAS. FOR THIS REASON, MY GOVERNMENT STRONGLY BELIEVES THIS RESOLUTION IS A SERIOUS STEP BACKWARD."

8. SOME IMMEDIATE REACTIONS TO U.S. STATEMENT WERE POSITIVE. THE JAPANESE AGREED WITH ITS STRONG TONE. BRAZILIANS THOUGHT IT WAS APPROPRIATE FORM AND AN EXPECTED REACTION OF THE SITUATION.

9. OTHERS IN G-77 APPARENTLY WERE STARTED BY VIGOROUS RESPONSE FROM SUCH A WIDE RANGE OF DEVELOPED COUNTRIES. JAMAICAN AND INDIAN CLEARLY DID NOT EXPECT SUCH A SOLID-FRONT REACTION. TENSE ATMOSPHERE WHICH DEVELOPED IN SESSION WAS DISPELLED ONLY WHEN G-77 FINALLY WITHDREW THE NEXT CONTENTIONS ITEM (UNCTAD MANDATE) WHICH FOLLOWED COMMON FUND RESOLUTION ON AGENDA.

10 COMPLETE TEXT OF RESOLUTION AS ADOPTED FOLLOWS:

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
JAMAICA: DRAFT RESOLUTION'

UNITED NATIONS NEGOTIATING CONFERENCE ON A COMMON FUND UNDER THE
INTEGRATED PROGRAMME FOR COMMODITIES

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RECALLING ITS RESOLUTIONS 3201 (S-;8) AND 3202) (S-VI)
OF 1 MAY 1974 CONTAINING THE DECLARATION AND THE PROGRAMME OF
ACTION ON THE ESTABLISHMENT OF THE NEW AND INTERNATIONAL ECONOMIC
CO-OPERATION,

RECALLING RESOLUTION 93 (IV) OF 30 MAY 1976 OF THE UNITED
NATIONS CONFERENCE ON TRADE AND DEVELOPMENT 1/ ON THE INTEGRATED
PROGRAMME FOR COMMODITIES AND THE AGREED TIME-TABLE IN THAT
RESOLUTION CONCERNING NEGOTIATION OF A COMMON FUND AND FOR THE
COMPLETION OF ALL PREPARATORY MEETINGS AND NEGOTIATIONS ON
INDIVIDUAL COMMODITIES,

NOTING THE INTENSIVE WORK AT THE THREE PREPARATORY MEETINGS HELD
UNDER THE AUSPICES OF THE UNITED NATIONS CONFERENCE ON TRADE

AND DEVELOPMENT DURING THE PERIOD FROM NOVEMBER 1976 TO MARCH 1977 TO PROVIDE THE NECESSARY TECHNICAL BASIS FOR THE UNITED NATIONS NEGOTIATING CONFERENCE ON A COMMON FUND, O

CONCERNED THAT THE FIRST SESSION OF THE NEGOTIATING CONFERENCE HELD FROM MARCH TO APRIL 1977 FAILED TO PRODUCE ANY RESULT,

NOTING THE AGREEMENT OF GOVERNMENTS THAT A COMMON FUND SHOULD BE ESTABLISH

' THE DRAFT RESOLUTION IS SUBMITTED BY THE DELEGATION OF JAMAICA ON BEHALF OF THE STATES MEMBERF OS THE UNITED NATIONS WHICH ARE MEMBERS OF THE GROUP OF 77.

1/ SEE PROCEEDINGS OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT FOURTH SESSION, VOL. I, REPORT AND ANNEXES, (UNITED NATIONS PUBLICATION, SALES NO. E.76.II.D.10), PART ONE, SECT. A.

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AS A NEW ENTITY TO SERVE AS A KEY INSTRUMENT IN ATTAINING THE AGREED OBJECTIVES OF THE INTEGRATED PROGRAMME FOR COMMODITIES AS EMBODIED IN RESOLUTION 93 (IV) OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT; HE AGTEEMENT THAT THE SPECIFIC PRUPOSE AND OBJECTIVES OF A COMMON FUND, AS WELL AS ITS OTHER CONSTITUENT ELEMENTS WILL CONTINUE TO BE NEGOTIATED IN THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT; AND THE PLEDGE TO SECURE A SUCCESSFUL CONCLUSION AT THE RESUMED SESSION OF THE NEGOTIATING CONFERENCE SCHEDULED THEN FOR NOVEMBER 1977 AT PLENIPOTENTIARY LEVEL,

DEEPLY CONCERNED THAT THE SECOND SESSION OF THE NEGOTIATING CONFERENCE HAD TO BE SUSPENDED ON 1 DECEMBER 1977 BECAUSE OF FAILURE TO AGREE ON EVEN THE BASIC ELEMENTS OF A COMMON FUND WHICH WOULD MAKE IT A KEY INSTRUMENT OF THE INTEGRATED PROGRAMME FOR COMMODITIES IN CLEAR CONTRADICTION OF THE COMMITMENTS MADE AT CONFERENCE ON INTERNATIONAL ECONOMIC AND CO-OPERATION IN PARIS AND SUBSEQUENTLY REAFFIRMED WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT,

MINDFUL OF THE SERIOUS REPERCUSSION WHICH THIS LACK OF RESULT WILL HAXVE ON THE CURRENT NEGOTIATIONS ON INDIVIDUAL COMMODITIES AND ON THE IMPLEMENTATION OF THE INTEGRATED PROGRAMME FOR COMMODITIES AND ON THE IMPLEMENTATION OF THE INTEGRATED PROGRAMME FOR COMMODITIES AS A WHOLE,

ACUTELY AWARE THAT THE FAILURE OF THE NEGOTIATIONS ON A COMMON FUND WILL ADBERSELY AFFECT THE COURSE OF INTERNATIONAL ECONOMIC CO-OPERATION, WITH SERIOUS CONSEQUENCES FOR THE FUTURE RELATIONSHIPS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES,

NOTING ALSO THAT THE DEVELOPING COUNTRIES AND DEVELOPED COUNTRIES ARE AGREED ON THOSE BASIC ELEMENTS OF A

COMMON FUND WHICH WILL INDEED MAKE IT A KEY INSTRUMENT FOR
ATTAINING THE AGREE OBJECTIVES OF THE INTEGRATED PROGRAMME
FOR COMMODITIES, AND EXPRESSING APPRECIATION TO THOSE COUNTRIES
WHICH HAVE ANNOUNCED PLEDGES TO THE COMMON FUND,

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1. CALLS UPON THOSE COUNTRIES WHICH HAVE NOT YET DONE SO
TO TAKE THE NECESSARY POLITICAL DECISIONS ON SUCH BASIS ELEMENTS
IN ORDER TO ENABLE THE NEGOTIATING CONFERENCE TO RESUME ITS WORK
WITHIN A CLEARLY ESTABLISHED NEGOTIATING FRAMEWORK;

2. REAFFIRMS THE URGENCY OF ESTABLIHSING THE COMMON FUND AND ,
TO THAT END, REQUESTS THE SECRETARY-GENERAL OF THE UNITED
NAIONS CONFERENCE ON TRADE AND DEVELOPMEN TO UNDERTAKE CON-
CULSTATIONS WITH A VIEW RECONVENING THE NEGOTIATING CONFERENCE
EARLY IN 1978.

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Message Attributes

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